

State Education Tax (Summer Property Tax) Information

Your bill is based on the local assessor's determination of taxable value for your property. You should receive one bill per parcel, and **the amount is due no later than September 14, 2004**. Public Act 244 of 2002 requires an assessment of 6 mills for the State Education Tax (SET) to every property owner in Michigan as part of the summer property tax collection. The Public Act also allows the Michigan Department of Treasury to collect the SET for local units of government that decline to collect independently. Both your local unit of government and your county decided to opt out of collecting the SET for the summer of 2004. These townships include: Clayton Charter (in Genesee County); and Bridgehampton, Lamotte, Moore, Washington, and the City of Sandusky (all in Sanilac County). Therefore, Treasury is responsible for collecting the SET for your parcel(s) no later than **September 14, 2004**. All summer taxes include a legally required 1% administration fee.

GENERAL INFORMATION

Receipts: Treasury will not mail payment receipts. Your cashed check serves as proof of payment. If you need a copy of a receipt for tax records, you or your accountant may print a copy from Treasury's Web site at www.michigan.gov/set. Directions are on page 2.

Escrow: If you have an escrow account, coordinate payment with your mortgage company. Each bill has a note at the top and is identified as an "original" or "informational copy." If you received an original bill and you have an escrow, you may need to mail a copy of the bill to your mortgage company. As the property owner, you are liable for the tax payment.

Refinancing or Pending Home Sale During 2004: If you are refinancing or selling your property, or recently refinanced or closed, coordinate with your financing company if your tax payment will be or was included in your closing costs.

Refunds for Overpayments: If an overpayment is made, the amount overpaid will be returned to the owner of the property. Note that most refunds will not be processed until late December 2004. For 2003, most refunds were due to both the property owner and a mortgage company making the tax payment for the same parcel.

Underpayments: Pay careful attention to confirm that your check matches the total amount due for the bill. For payments that are not correct, Treasury will either return the check to the sender (which may result in additional interest charges) or send a second bill for the amount yet due.

Payment Address:
Michigan Department of Treasury, SET
P.O. Box 40728
Lansing, MI 48909

SCHEDULE

Note: Once a check is received by mail, it may take up to 10 days to process.

September 14 – Treasury must receive your Summer Property Tax payment by this date or late interest charges will apply. Interest is 1% per month against the base tax, and is added on September 15, and the first of each month thereafter. Mail at least 5-7 days before the due date. **Treasury will not accept a postage mark. Payments received in the timeframes listed below will be assessed a late interest charge.**

September 15-30: 1%	December: 4%
October: 2%	January: 5%
November: 3%	February: 6%

Payment of a deferred summer tax bill must be received no later than **February 14, 2005**. Treasury cannot receive any payments on real property after **February 28, 2005**. Any real property payment amount still owing, which includes any late interest charges owed, will be turned over delinquent to your county treasurer for collection.

Payment Information

- ◆ Treasury cannot accept overnight mail payment.
- ◆ Enclose a copy of the bill or the perforated bottom portion of the bill.
- ◆ Write your parcel number on your check.
- ◆ If you are paying the taxes for multiple parcels, either pay by one check per parcel – or if paying with one check, include a summary list of all the taxes due by parcel number and owner name.
- ◆ If the amount is underpaid, your check may be returned and you may be subject to interest charges.
- ◆ Treasury will only accept a check or money order and cannot accept installment payments.
- ◆ Do not staple your check to the copy of your bill.
- ◆ Make check payable to the "State of Michigan."

FREQUENTLY ASKED QUESTIONS

How is the SET Calculated? Property owners are assessed 6 mills on the taxable value. For example, if you have a taxable value of \$50,000, the amount of SET due is \$300 (\$50,000 multiplied by .006).

Can I Defer Payment of my Summer Property Tax?

Maybe. An owner of eligible property may file a completed summer property tax deferment form with his or her city or township treasurer until September 15, 2004. A valid deferment permits summer property taxes to be paid on or before February 14, 2005 without any additional interest charges.

What Type of Property is Eligible for Property Tax Deferment?

Taxpayers may defer their summer SET if they meet the following criteria:

- 1) Homestead property owned by a taxpayer who:
 - ◆ Has a total household income of \$25,000 or less and;
 - ◆ is totally and permanently disabled, blind, paraplegic, quadriplegic; or;
 - ◆ an eligible serviceperson, eligible veteran, or eligible widow or widower; or;
 - ◆ is at least 62 years old.
- 2) Agricultural real property, if the gross receipts of the agricultural or horticultural operations in the previous year, or the average gross receipts of the operations in the previous three years, are not less than the total household income of the owner in the previous year.

What is Included in Total Household Income for the Purposes of Summer Property Tax Deferment?

Household income is the total income (taxable and nontaxable) of both spouses or of a single person maintaining a household. It is the sum of adjusted gross income (AGI) plus all income exempt or excluded from AGI. Total household income includes the following: wages, salaries, tips; net income from a business, rent or farm; Social Security less the amount deducted for Medicare premiums; SSI (Supplemental Security Income), FIA (Family Independence Agency) and FIP (Family Independence Program) benefits; child support; alimony; unemployment, workers' and veterans' disability compensation; pension benefits; interest income; gifts and winnings in excess of \$300, and other sources of income for all individuals living in the household.

Where are the SET Funds Used? The SET is deposited in the School Aid Fund for distribution to Michigan Public K-12 schools. This tax makes up about 14.5% of the total School Aid Fund. This tax is separate from any local school, ISD, or community college millage.

What about Winter Property Taxes? Your city or township is still collecting winter property taxes. You will need to contact your local treasurer directly for any information relating to your winter taxes. Note that an unpaid SET summer tax amount will not be included in your winter tax bill.

Will the Department of Treasury Collect the SET Next Year?

As provided by the SET Act, your local taxing unit may decide in January 2005 to collect the SET, and if your local unit continues to decline to collect the SET, your county has the option in February 2005 to decide to collect the SET. Without a formal adoption of a resolution by the local unit board or county commission, or a change in the state law, Treasury will continue to collect the SET.

Department of Treasury Contact Information

Michigan Department of Treasury
Bureau of Local Government Services
430 W. Allegan Street
Lansing, MI 48922
email: Treas_LocalGov@michigan.gov
(517) 373-3305
www.michigan.gov/set

SET Web Database Instructions

Select the following Web page - www.michigan.gov/set

- ◆ To login, click on the link above and input this information: **User Name: statemi**
Password: mi91304
- ◆ Select your county from the drop down menu.
- ◆ Click "parcel" from the list on the left side of the page and then type in the parcel number.
- ◆ Click "search" – and then click on the blue highlighted parcel number.
- ◆ A legal description of the parcel will appear. Click on the left side of the page on the last item "tax" for the tax amount due.
- ◆ Click on the "printer friendly version" in the upper right corner to print the tax page.